

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Melrose Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule and Revised Appropriation for Fiscal Year 2015

DATE: May 21, 2014

Revised Appropriation for FY15: **\$5,519,258**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2015, which commences July 1, 2014.

This amount revises the appropriation amount shown in our October 25, 2013 memorandum based on the funding schedule recently provided but adopted by the Board last October (copy enclosed). The schedule adjusts the assumed payment date to July 1 of each fiscal year and reflects an updated 2013 actuarial valuation. The schedule is effective in FY14 (since the amount under the prior schedule was maintained in FY14) and is acceptable under Chapter 32.

The revised allocation by governmental unit is as follows:

City	\$5,368,133
Housing Authority	151,125

We encourage boards to adopt funding schedules that amortize the unfunded liability by FY35 to provide the System more flexibility in the event of a market downturn. This schedule extends to FY36. We recommend when you adopt the next schedule that you consider alternatives to expedite funding.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666 - 4446, extension 921.



(3)

**MELROSE RETIREMENT SYSTEM
FUNDING SCHEDULE WITH 3(8)(c) PAYMENTS**

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAL	Net 3(8)(c) Payments	Schedule Contribution
2015	968,472	56,094,159	4,487,009	63,777	5,519,258
2016	1,012,053	55,735,722	4,584,666	63,777	5,660,496
2017	1,057,596	55,243,141	4,684,638	63,777	5,806,010
2018	1,105,187	54,603,184	4,786,978	63,777	5,955,943
2019	1,154,921	53,801,502	4,634,751	63,777	5,853,449
2020	1,206,892	53,100,091	4,632,541	63,777	5,903,210
2021	1,261,202	52,344,954	4,742,332	63,777	6,067,311
2022	1,317,957	51,410,832	4,854,725	63,777	6,236,459
2023	1,377,265	50,280,596	4,969,782	63,777	6,410,824
2024	1,439,242	48,935,678	5,087,566	63,777	6,590,585
2025	1,504,007	47,355,961	5,208,141	63,777	6,775,926
2026	1,571,688	45,519,646	5,331,574	63,777	6,967,039
2027	1,642,414	43,403,117	5,457,933	63,777	7,164,123
2028	1,716,322	40,980,799	5,587,286	63,777	7,367,385
2029	1,793,557	38,224,995	5,719,704	63,777	7,577,038
2030	1,874,267	35,105,713	5,855,261	63,777	7,793,305
2031	1,958,609	31,590,488	5,994,031	63,777	8,016,417
2032	2,046,746	27,644,174	6,136,090	63,777	8,246,613
2033	2,138,850	23,228,731	6,281,515	63,777	8,484,142
2034	2,235,098	18,302,994	6,430,387	63,777	8,729,262
2035	2,335,678	12,822,416	6,582,787	63,777	8,982,241
2036	2,440,783	6,738,799	6,738,799	63,777	9,243,359

Amortization of Unfunded Liability as of July 1, 2014

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2002	ERI	256,994	0.0%	17	256,994	4
2003	ERI	109,459	0.0%	17	109,459	5
2015	Fresh Start	4,120,555	2.37%	22	4,120,555	22

stone